

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

FINANCIAL STATEMENTS
(Audited)

JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/13/05

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INDEPENDENT AUDITOR'S REPORT

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) a component unit of the City of Jeanerette, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the City Court of Jeanerette's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City Court of Jeanerette's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) as of June 30, 2004, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 18, 2005, on my consideration of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana
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The Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

R. Perry Templeton

New Iberia, Louisiana
March 18, 2005

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF NET ASSETS
June 30, 2004

Governmental
Activities

ASSETS

Current assets:

Cash and Cash Equivalents
Due from Bond Fund

\$ 31,800
216

Non current assets:

Capital Assets, Net

1,642

Total Assets

\$ 33,658

LIABILITIES

Current liabilities:

Accounts Payable
Due to Jeanerette City Marshal

\$ 1,365
9,011

Total Liabilities

10,376

NET ASSETS

Invested in Capital Assets, Net of Related Debt
Unrestricted

\$ 1,642
21,640

Total Net Assets

\$ 23,282

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

Governmental Activities

Expenditures:

Judiciary

Publications	\$ 2,095
Payments to City of Jeanerette	17,551
Payments to Jeanerette City Marshal	54,760
Salaries	66,000
Office Supplies & Printing	7,276
Legal & Accounting Costs	1,900
Dues, Meetings & Insurance	501
Other Miscellaneous Costs	9,794
Outside Services	8,201
Depreciation	424
Utilities and Telephones	2,980
Total Expenditures	<u>171,482</u>

Program Revenues

Revenues:

Fees, Charges and Commissions – Court Costs, Fees, and Fines	<u>149,310</u>
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Excess (Deficiency) of Revenues over Expenditures – Governmental Activities	<u>(22,172)</u>
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Other Revenue

Miscellaneous	<u>8,121</u>
Total Other Revenue	<u>8,121</u>

Excess (Deficiency) of Revenues over Expenditures	(14,051)
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Net Assets, Beginning of Year	<u>37,333</u>
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Net Assets, End of Year	<u>\$ 23,282</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTION

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

BALANCE SHEET – GOVERNMENTAL FUND
June 30, 2004

General
Fund

ASSETS

Cash and Cash Equivalents	\$ 31,800
Due from Fines Agency Fund	<u>216</u>
Total Assets	<u>\$ 32,016</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts Payable	\$ 1,365
Due to Jeanerette City Marshal	<u>9,011</u>
Total Liabilities	<u>10,376</u>

Fund Balances:	
Unreserved – Undesignated	<u>21,640</u>

Total Liabilities and Fund Balance	<u>\$ 32,016</u>
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The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF
NET ASSETS

June 30, 2004

Total Fund Balance for the Governmental Fund at June 30, 2004		\$ 21,640
Cost of Capital Assets at June 30, 2004	\$ 30,310	
Less: Accumulated Depreciation	<u>(28,668)</u>	
		<u>1,642</u>
Total Net Assets of Governmental Activities at June 30, 2004		<u>\$ 23,282</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2004

	<u>General Fund</u>
Revenues:	
Fees, Charges and Commissions –	
Fees and Fines	\$ 149,310
Miscellaneous	<u>8,121</u>
Total Revenues	<u>\$ 157,431</u>
Expenditures:	
Current-	
General Government –	
Publications	\$ 2,095
Payments to City of Jeanerette	17,551
Payment to Jeanerette City Marshal	54,760
Salaries	66,000
Office Supplies & Printing	7,276
Legal & Accounting Costs	1,900
Dues, Meetings, & Insurance	501
Other Miscellaneous Costs	9,794
Outside Services	8,201
Utilities and Telephone	2,980
Capital Outlay	<u>922</u>
Total Expenditures	<u>\$ 171,980</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,549)
Fund Balance, Beginning of Year	<u>36,189</u>
Fund Balance, End of Year	<u>\$ 21,640</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUND TO THE STATEMENT
OF ACTIVITIES

For the Year Ended June 30, 2004

Total Net Change in Fund Balance for the Year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$(14,549)
Add: Capital Outlay (Purchases) for the Year Ended June 30, 2004	922
Less: Depreciation Expense for Year Ended June 30, 2004	<u>(424)</u>
Total Change in Net Assets for the Year Ended June 30, 2004 per Statement of Activities	<u>\$(14,051)</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2004

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$15,194	\$ 3,697	\$ 18,891
Total Assets	<u>\$ -</u>	<u>\$15,194</u>	<u>\$ 3,697</u>	<u>\$ 18,891</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 216	\$ 216
Held for Other Pending Court Action	-	15,194	3,481	18,675
Total Liabilities	<u>\$ -</u>	<u>\$15,194</u>	<u>\$ 3,697</u>	<u>\$18,891</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS

INTRODUCTION

The Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected Official serving a term of six years. The population of the third ward is approximately 7,000. The court and its staff of 2 employees handle approximately 150 civil cases a year plus misdemeanor, criminal offenses, and traffic violations within the city of Jeanerette.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the City, for reporting purposes, the City of Jeanerette is the financial reporting entity. The financial reporting entity consists of the primary government (City), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Jeanerette for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

1. Appointing a voting majority of an organization's governing body, and
2. The ability of the City to impose its will on that organization and/or
3. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
4. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
5. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Because the City provides the City Court of Jeanerette with office space and pays the salaries and benefits of Court employees, the Court was determined to be a component unit of the City of Jeanerette, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) court costs, fees, and fines paid by the recipients of services offered by the Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Fund-Financial Statements (FFS)

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Court is considered to be a major fund. The funds of the Court are described below:

Governmental Funds –

General Fund – This fund is the primary operating fund of the Court and it accounts for the operations of the Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court's policy.

Fiduciary Funds –

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the Court as an agent for litigants in civil suits, cash bonds for criminal proceedings, and fees held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The agency funds are as follows:

Fines Agency Fund – accounts for the receipt and disbursement of bonds, fines, and costs from criminal proceedings to the appropriate governmental entity.

Civil Court Fund – accounts for advance deposits in civil suits and the receipt and disbursement of civil docket fees, small claims fees, and garnishments.

Bond Fund – accounts for the collection of bonds.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded with the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Assets, Liabilities, and Equity

Cash and Interest-Bearing Deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Court.

The Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. See Note (3) for other GASB No. 3 disclosures.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$500 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office furniture	7 years
Equipment	5 years

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the Court is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the funds financial statements, expenditures are classified as follows:

Government Funds – By Character

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

G. Vacation and Sick Leave

Vacation is recorded as an expenditure of the period in which paid. It must be taken in the year accrued and cannot be carried over. There is no provision for sick leave at this time. Any liability the City Court of Jeanerette, Louisiana might have in this regard is considered immaterial; therefore, no liability has been recorded in the accounts.

(2) Changes in Accounting Principles

For the year ended June 30, 2004, the Court has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Court's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The Court also implemented GASB Statement No. 37, Basic Financial Statements – And Management's Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of "net assets" as follows:

Total Fund Balance-Governmental Funds at June 30, 2003		\$ 36,189
Add: Cost of Capital Assets at June 30, 2003	\$ 29,388	
Less: Accumulated Deprecation at June 30, 2003	<u>28,244</u>	<u>1,144</u>
Net Assets at June 30, 2003		<u>\$ 37,333</u>

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

(3) Cash and Interest-Bearing Deposits

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Court has cash and cash equivalents (book balances) totaling \$29,962 as follows:

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
Demand Deposits	\$ 11,071	\$ 18,891	\$ 29,962

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004, totaled \$61,519 and are secured from risk by \$61,519 of federal deposit insurance.

(4) Capital Assets

Capital asset activity for the year ended June 20, 2004 was as follows:

	<u>Balance 7/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2004</u>
Governmental Activities:				
Furniture, Fixtures and Equipment	\$29,388	\$ 922	\$ -	\$30,310
Less: Accumulated Depreciation	<u>(28,244)</u>	<u>(424)</u>	<u>-</u>	<u>(28,668)</u>
Net Capital Assets	<u>\$ 1,144</u>	<u>\$ 498</u>	<u>\$ -</u>	<u>\$ 1,642</u>

Depreciation expense of \$424 was charged to the general government function.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO BASIC FINANCIAL STATEMENTS
(continued)

(5) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
Beginning Balance, July 1, 2003	\$ -	\$ 18,252	\$ 5,646	\$ 23,898
Additions	195,429	12,786	3,800	212,015
Reductions	<u>(195,429)</u>	<u>(15,844)</u>	<u>(5,750)</u>	<u>(217,023)</u>
Ending Balance, June 30, 2004	<u>\$ -</u>	<u>\$ 15,194</u>	<u>\$ 3,696</u>	<u>\$ 18,890</u>

(6) Expenditures of the City Court of Jeanerette Paid by the City of Jeanerette

Certain operating expenditures of the Court's office, such as Judge's salary in part, Clerk of Court's salary in part, telephone, premises and utilities are paid by the City of Jeanerette. Such expenditures are not included in the accompanying financial statements.

(7) Pending Litigation

At June 30, 2004 the Court was not involved in any litigation.

(8) Other Postretirement Benefits

The Jeanerette City Court provides no postretirement benefits.

(9) Risk Management

Potential significant losses are covered by the City of Jeanerette's commercial insurances.

**COMPLIANCE
AND
INTERNAL CONTROL**

R. PERRY TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT
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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

I have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court), a component unit of the City of Jeanerette, as of and for the year ended June 30, 2004, which collectively comprise the City Court of Jeanerette's basic financial statements and have issued my report thereon dated March 18, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance that are required to be reported under Government Auditing Standards and are described in the accompanying schedule of findings as items 2004-1 and 2004-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their

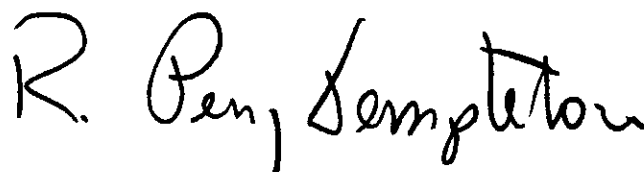
The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana
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assigned functions. I noted one matter involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

An inadequate segregation of duties exists with respect to cash transactions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, and adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived. The Court will monitor assignment of duties to assure that as much segregation of duties as possible is achieved.

This report is intended solely for the information and use of the Third Ward Court's, Iberia Parish, Louisiana (Jeanerette City Court) management, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

New Iberia, Louisiana
March 18, 2005

A handwritten signature in black ink that reads "R. Perry Templeton". The signature is written in a cursive, flowing style with a large initial "R" and a long, sweeping underline.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

SCHEDULE OF FINDINGS
Year Ended June 30, 2004

Part I. Summary of Auditor's Results:

An unqualified opinion as issued on the financial statements.

No reportable conditions were disclosed during the audit of the basic financial statements.

Two instances of noncompliance which are material to the financial statements were disclosed. See Part II for details.

A management letter was not issued.

There were no federal awards received by the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court).

Part II. Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

2004-1 Noncompliance with Budget Law

Finding:

Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) did not prepare and adopt a budget for the General Fund for the year ended June 30, 2004 as required by R.S. 39:1305.

Recommendation:

Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) should prepare and adopt an annual budget in accordance with the provisions of R.S. 39:1305.

2004-2 Noncompliance with Financial Reporting

Finding:

Louisiana Revised Statutes 24:513 requires that the Court's financial statements be completed and released within six months of its year end. The report was released subsequent to that due date.

Recommendation:

Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) should comply with the provisions of R.S. 24:513.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Corrective Action Plan for
Current Year Audit Findings
For the Year Ended June 30, 2004

<u>Ref. No.</u>	<u>Description Of Finding</u>	<u>Corrective Action Planned</u>	<u>Names of Contact Persons</u>	<u>Anticipated Completion Date</u>
2004-1	Jeanerette City Court did not prepare and adopt a budget for the General Fund for the year ended June 30, 2004 as required by R.S. 39:1305.	Management will prepare and adopt a budget for the General Fund and will comply with the provisions of R.S. 39:1305 in all future year.	Hon Cameron Simmons	Present
2004-2	Louisiana Revised Statute 24:513 requires that the Courts' financial statements be completed and released within six months of its year end. The report was released subsequent to that due date.	Management has adopted a corrective action plan including the re-evaluation of its selection process and has established a monitoring system to monitor the progress of its future audits.	Hon Cameron Simmons	Present

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description Of Finding</u>	<u>Corrective Action Taken (Yes, No, Partial)</u>	<u>Planned Corrective Actual/Partial Corrective Action Taken</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

None